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<PREAMB>

<AGENCY TYPE='S'>FEDERAL RESERVE SYSTEM

<CFR>12 CFR Part 216

<DEPDOC>[Docket No. R-1483]

<RIN>RIN 7100 AE13

<SUBJECT>Privacy of Consumer Information (Regulation P)

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice of proposed rulemaking; request for public comment.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) is proposing to repeal its Regulation P, 12 CFR part 216, which was issued to implement section 504 of the Gramm-Leach-Bliley Act (GLB Act). Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) transferred rulemaking authority for a number of consumer financial protection laws from the Board, and six other Federal agencies, to the Bureau of Consumer Financial Protection (Bureau), including rulemaking authority for the provisions in Subtitle A of Title V of the GLB Act that were implemented in the Board's Regulation P. In December 2011, the Bureau published an interim final rule establishing its own Regulation P to implement these provisions of the GLB Act (Bureau Interim Final Rule). The Bureau's Regulation P covers those entities previously subject to the Board's Regulation P. Accordingly, the Board is proposing to repeal its Regulation P.

DATES: Comments must be received on or before April 15, 2014.

ADDRESSES: You may submit comments, identified by Docket No. R-1483, by any of the following methods:

- **Agency Web Site:** <http://www.federalreserve.gov>. Follow the instructions for submitting comments at

<http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm>.

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- E-Mail: regs.comments@federalreserve.gov. Include the docket number in the subject line of the message.
- Fax: (202) 452-3819 or (202) 452-3102.
- Mail: Robert deV. Frierson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW, Washington, D.C. 20551.

All public comments are available from the Board's web site at

<http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm> as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper form in Room MP-500 of the Board's Martin Building (20th and C Streets, N.W.) between 9:00 a.m. and 5:00 p.m. on weekdays.

FOR FURTHER INFORMATION CONTACT: Kara L. Handzlik, Counsel, Legal Division, at (202) 452-3852, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, D.C. 20551. For users of Telecommunications Device for the Deaf (TDD) only, contact (202) 263-4869.

SUPPLEMENTARY INFORMATION:

<HD1>I. Discussion

Subtitle A of Title V of the Gramm-Leach-Bliley Act, 15 U.S.C. 6801-6809, titled "Disclosure of Nonpublic Personal Information," limits the circumstances in which a financial institution can disclose nonpublic personal information about a consumer to nonaffiliated third parties and requires financial institutions to provide certain privacy notices

to their customers who are consumers. Prior to July 21, 2011, rulemaking authority under section 504 of the GLB Act was shared by eight Federal agencies, including the Board.¹ Each of the agencies issued consistent and comparable rules to implement the GLB Act's privacy provisions;² the Board implemented its rule as Regulation P, 12 CFR part 216.

Section 1002(14) of the Dodd-Frank Act³ transferred rulemaking authority for a number of consumer financial protection laws, including the authority to prescribe regulations under GLB Act section 504(a)(1)(A) as it pertains to sections 502 through 509 of the Act.⁴ This transfer of rulemaking authority from the Board and other Federal agencies to the Bureau became effective on July 21, 2011. In connection with the transfer, the Bureau published an interim final rule to establish its own Regulation P, 12 CFR part 1016, to implement the privacy provisions of the GLB Act (Bureau Interim Final Rule).⁵ The Bureau Interim Final Rule substantially duplicates the Board's Regulation P and covers financial institutions and other persons for which the Bureau has rulemaking authority pursuant to section 504(a)(1)(A) of the GLB Act. The Bureau Interim Final Rule does not impose any new substantive obligations on regulated entities.

The scope of the Board's Regulation P is set forth in § 216.1(b)(1) and states that the part applies to state member banks, bank holding companies and certain of their nonbank

¹ The other Federal agencies included the Federal Deposit Insurance Corporation (FDIC), the Federal Trade Commission (FTC), the National Credit Union Administration (NCUA), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Securities and Exchange Commission (SEC), and the Commodity Futures Trading Commission (CFTC).

² The GLB Act's privacy provisions are set forth in sections 502 and 503. 15 U.S.C. 6802-6803.

³ 12 U.S.C. 5481(14). The Dodd-Frank Act, Public Law No. 111-203, 124 Stat. 1376, was signed into law on July 21, 2010.

⁴ The Dodd-Frank Act did not transfer the Board's authority under section 501(b) of the GLB Act to establish information security standards for financial institutions subject to its jurisdiction. 15 U.S.C. 6801(b). Therefore, the CFPB does not have authority to prescribe regulations for GLBA section 505 as it applies to section 501(b).

⁵ 76 FR 79025 (Dec. 21, 2011).

subsidiaries or affiliates, state uninsured branches and agencies of foreign banks, commercial lending companies owned or controlled by foreign banks, and Edge and agreement corporations. As a result, all of the entities formerly subject to the Board's rule are covered by the Bureau Interim Final Rule. Accordingly, the Board is proposing to repeal its Regulation P.

<HD1>II. Initial Regulatory Flexibility Analysis

The Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) (RFA) generally requires an agency to perform an assessment of the impact a rule is expected to have on small entities. Based on its analysis, and for the reasons stated below, the Board believes that this proposed rule will not have a significant economic impact on a substantial number of small entities. A final regulatory flexibility analysis will be conducted after consideration of comments received during the public comment period.

1. Statement of the need for, and objectives of, the proposed rule. As noted above, section 1002(14) of the Dodd-Frank Act transferred rulemaking authority for a number of consumer financial protection laws from the Board to the Bureau, effective July 21, 2011, including the Board's rulemaking authority under section 504(a)(1)(A) of the GLB Act. The Bureau issued the Bureau Interim Final Rule to implement the privacy provisions of the GLB Act in connection with the transfer of this rulemaking authority to the Bureau. All of the entities formerly subject to the Board's Regulation P are covered by the Bureau Interim Final Rule. Consequently, the Board's proposal to repeal the Board's Regulation P, 12 CFR part 216, will not have any effect on entities that were formerly subject to the Board's rule.

2. Small entities affected by the proposed rule. The proposed rule would repeal the Board's Regulation P, 12 CFR part 216, because the Board no longer has rulewriting

authority for the provisions of the GLB Act that were implemented in this regulation. All of the entities previously subject to the Board's Regulation P are now subject to the Bureau's Regulation P. Consequently, the proposed repeal would not affect any entity, including any small entity.

3. Recordkeeping, reporting, and compliance requirements. The proposed rule would repeal the Board's Regulation P, 12 CFR part 216, and would therefore not impose any recordkeeping, reporting, or compliance requirements on any entities. Existing requirements remain the same under the Bureau's Regulation P.

4. Other federal rules. The Board is proposing to repeal its Regulation P (12 CFR part 216) because of the Bureau's overlapping Regulation P (12 CFR part 1016).

5. Significant alternatives to the proposed revisions. Because the repeal of the Board's Regulation P (12 CFR part 216) will have no impact, there are no significant alternatives that would further minimize the economic impact of the proposed rule on small entities.

<HD1>**III. Paperwork Reduction Act**

In accordance with the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. 3506; 5 CFR 1320 Appendix A.1), the Board reviewed the rule under the authority delegated to the Federal Reserve by the Office of Management and Budget (OMB). The proposed rule contains no requirements subject to the PRA.

<LSTSUB><HED>**List of Subjects in 12 CFR Part 216**

Banks, banking, Consumer protection, Foreign banking, Holding companies, Privacy, Reporting and recordkeeping requirements.</LSTSUB>

<HD1>**Authority and Issuance**

For the reasons set forth in the preamble, under 15 U.S.C. 6801 et seq, the Board proposes to amend Regulation P, 12 CFR part 216, and the Official Staff Commentary, as set forth below:

<PART><HED>**PART 216—PRIVACY OF CONSUMER FINANCIAL
INFORMATION (REGULATION P)**

1. Part 216 is removed and reserved.

By order of the Board of Governors of the Federal Reserve System, February 10, 2014.

Robert deV. Frierson
Secretary of the Board.

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